

**EXTRAORDINARY ADMINISTRATION OF
ALITALIA LINEE AEREE ITALIANE S.P.A.**

Object: Call for expression of interest (*Bando*) for the sale procedure of the shareholding held by Alitalia Linee Aeree Italiane S.p.A. under Extraordinary Administration in Egyptian Aviation Services Company

1. INTRODUCTION

Upon request of Alitalia – Linee Aeree Italiane S.p.A. (hereinafter “**Alitalia**”), the President of the Council of Ministers, through his own decree dated August 29th 2008, admitted Alitalia to the extraordinary administration proceeding, proceeding referred to under Legislative Decree No. 347 of 23 December 2003, converted into Law No. 39 of 18 February 2004, as subsequently amended and supplemented by art. 1, paragraph 3, of Legislative Decree No. 134 of 28 August 2008, converted into Law No. 166 of 27 October 2008. On September 5th, 2008, the Court of Rome, with decision No. 290, declared the state of insolvency of Alitalia.

On November 19th, 2008, the former Extraordinary Commissioner submitted to the Ministry of Economic Development (hereinafter the “**Ministry**”) a sale program drafted pursuant to art. 27, paragraph 2, letter b-*bis*) of Legislative Decree No. 270 of 1999 (hereinafter the “**Sale Program**”), which envisages, *inter alia*, the sale of the shareholdings owned by Alitalia in the company of Egyptian Aviation Services, corresponding to 5,83% of the company’s capital (hereinafter the “**Shareholding**”).

By its own decree dated November 19th, 2008, the Ministry approved the Sale Program and authorized its implementation.

The Sale Program envisages that the sale of the shareholdings held by Alitalia, including the Shareholding, must occur by publication of separate calls, previously authorized pursuant to the art. 42 of Law Decree of July 8th 1999 No 270, and after consulting the Supervisory Committee.

With decrees of the President of the Council of Ministers, dated 3rd of August 2011, following the resignation of the former Extraordinary Commissioner, Prof. Avv. Stefano Ambrosini, Prof. Avv. Gianluca Brancadoro and Prof. Dott. Giovanni Fiori have been appointed Extraordinary Commissioners of Alitalia (hereinafter, the “**Extraordinary Commissioners**”).

With decision dated 28th march 2014 (n. 0050887), the Ministry, upon request of the Extraordinary Commissioners, taking into account the favorable opinion of the Supervisory Committee, authorized the beginning of the sale procedure and the publishing of the present call (hereinafter, the “**Call**”) which sets forth modalities, terms and conditions of the sale (hereinafter, the “**Sale Procedure**”) of the Shareholding, which will be sold only to the part offering the highest price, provided that such price can not be lower than the value established by the expert.

This Sale Procedure has the characteristics of promptness and urgency, due to the public requirements implied in it and the protection requirement of the Alitalia creditors’ interests.

2. INFORMATION ON EGYPTIAN AVIATION SERVICES

EAS was established in Egypt in 1989 with the purpose to develop the business of *handling* in competition with Egyptian Air, on the initiative of the Egyptian Ministry of Tourism and Civil Aviation. In this context, five different foreign airlines, including Alitalia, were offered to be part to the company with the Egyptian shareholders, which initially owned shares amounting to 5,83% each one and amounting to 70% of the entire capital.

The main business currently developed by EAS regards *handling* services for passengers and aircraft at Cairo International Airport and other Egyptian airports. In particular, these services are provided for all activities related to the program of scheduled flights and private flights.

After the extraordinary administration proceedings was admitted, on January 5th 2011, EAS invited Alitalia to sell its Shareholding, offering it in pre-emption to the other shareholders or, in case of a lack of interest of them, to third parties.

The terms to exercise the pre - emption right have expired and, therefore, the Shareholding can be transferred to other companies entitled of specific requirements of EAS by-laws (pursuant art. 20, paragraph 1, of EAS by - laws). In particular, the Shareholding can be transferred to those third parties that:

- (i) are airline companies carrying on the business of regular air transportation to and from Egypt, or, airline industry related companies that carry out their business in Egypt;
- (ii) are able to offer a substantial amount of airline related business to EAS;
- (iii) are financially capable of fulfilling the obligations arising from the possession of the Shareholding.

Moreover, the sale of the Shareholding to third parties must not cause a modification of the ownership structure, so that the 65% of EAS's capital must currently be held by Egyptian companies and the other 35% by foreign companies.

According to the art. 9, letter c) of EAS's Statute, the conclusion of the sale of the Shareholding is conditioned to the approval of EAS's administrative body, to which Alitalia will submit the bids received by interested parties.

* * *

All the above being stated, below are terms and conditions with reference to the first stages of the Sale Procedure, including (i) the submission of expression of interest to purchase the Shareholding (hereinafter, the "**Expressions of Interest**") and singularly, the "**Expression of Interest**") and (ii) the carrying out of a *due diligence* (hereinafter, the "**Due Diligence**").

* * *

3. INVITATION TO EXPRESS INTEREST - TERMS AND CONDITION FOR THE EXPRESSION OF INTEREST

3.1. Parties interested in purchasing the Shareholding (hereinafter, the "**Interested Parties**") are invited to send a Express of Interest, in accordance to terms and conditions set out below.

The Express of Interest, in conformity with the provisions of the this Call, must be submitted within the deadline specified in the Call and must include the documents and the declarations indicated under paragraph 5.

The Manifestation of Interest may be issued by Italian or foreign companies, except for the Egyptian ones, set as capital corporations, in order to keep the ownership structure as described *sub* paragraph 2. In particular, the companies have to be:

- (i) airline companies carrying out the business of regular air transportation to and from Egypt, or, airline industry related companies that carry out their business in Egypt;
- (ii) able to offer a substantial amount of airline related business to EAS;
- (iii) financially capable of fulfilling the obligations arising from the possession of the Shareholding

EAS's administrative body will ascertain the satisfaction of the requisites set out above, on the basis of the approval clause contemplated by the art. 9 of EAS's Statute. Moreover, the Interested Parties must meet the following requirements:

- a) net worth not less than € 1 (one) million, deducted any amounts of unpaid share capital, alternatively resulting from: (i) the last financial statements or (ii) the consolidated financial statements approved by the date of submission of the Expression of Interest by the competent social bodies, in the case of companies that are supposed to draft the consolidated financial statements, or (iii) in the absent of such circumstance, from the last financial statements approved by a Chamber of Commerce certification extracted from the Companies' Registry Book.
- b) (i) They must not have been in a process of liquidation (or winding up) during the two years preceding the date of the publication of the present Call, nor should they be currently involved in a process of liquidation and/or in one of the situations *ex* artt. 2446 and 2447 of the Italian Civil Code and/or in similar situations as set forth by home countries laws; (ii) they must not have been in a state of insolvency during the two years preceding the publication of the present call, nor should they currently be in a state of insolvency, or in a state of financial crisis, or in a state of compulsory management. Furthermore they must be carrying out their business, in compliance with home countries laws; (iii) they must not have been subjected to the penalty of interdiction *ex* art. 9, paragraph 2, letter c) of Law Decree of June 8th, 2011 No. 231 and, as to foreign companies, they must not have been subjected to any similar sanctions, as set forth by their own laws, which would cause the penalty of prohibition from contracting with the public administration.
- c) The members of the administrative, supervisory and executive bodies (i) must not have been subjected to precautionary measures *ex* art. 3 of Law dated 27th December 1956, No. 1423, or to prohibitive conditions envisaged by the art 10 of Law dated 31 May 1965, No. 575, with subsequent amendments; as to foreign parties, they must not have been subjected to similar measures or conditions pursuant to the laws stated above and pursuant to their own laws, except in the event of rehabilitation; (ii) must not have been convicted with a definitive decision (*res iudicata*) for a crime against the State or the Community that involves professional conduct, except in the event of rehabilitation; as to foreign parties, they must not have been convicted with analogue decisions and for similar crimes, pursuant to the their own laws; (iii) must not have been affected by a judgment imposing the penalty requested by the parties, pursuant to the art. 444 of the Code of Criminal Procedure, for crimes against the State or the Community that involve professional conduct; as to foreign parties, they must not have been convicted with analogue decision for similar crimes pursuant to their own laws; (iv) must not have been convicted with definitive decision (*res iudicata*) for organized crime, corruption, fraud, money laundering, as set forth by the art. 45, paragraph 1,

European Directive CE/2004/18, except the case of rehabilitation; (v) must not have been convicted with a definitive decision (*res iudicata*) to imprisonment for at least two years for having committed an intentional crime; as to foreign parties, they must not have been convicted for analogue crimes pursuant to their own laws, except the case of rehabilitation.

3.2 The Express of Interest may be issued also by Italian or foreign parties - except for Egyptian companies in order to keep EAS's ownership structure as described *sub* paragraph 2 - in the form of capital corporations according to their own laws, that intend to establish - within the deadline for the submission of the binding offers set out under paragraph 6.2 - a capital corporation, which, in the event of the awarding, will purchase the Shareholding (hereinafter, "Newco"). At the date of the submission of the binding offer, the Newco will have to meet the requirements stated under paragraph 3.1. Within the meaning of this Call, any subject that intends to set up a Newco will become an Interested Party. In this case,

- the requirement concerning the net asset value specified under paragraph 3.1. letter a) will have to be satisfied by all the shareholders of the Newco, provided that, once the Newco has been established, the requirement will have to be satisfied by the Newco as well.
- All the shareholders of the Newco will have to meet the requirements stated under paragraph 3.1. letter b).
- The requirement stated under paragraph 3.1. letter c) will have to be met by each shareholder of the Newco, provided that, once the Newco has been established, the requirement will have to be met by the Newco as well.

It will not be allowed, under penalty of exclusion, the submission of Expression of Interest for companies to be appointed different from the Newco.

3.3. Companies (i) who have a controlling interest or have a linkage with another company attending the Sale Procedure - individually or as a shareholder of the Newco - or are in one of the situations specified by the art. 2359 of the Italian Civil Code, or (ii) whose Expressions of Interest have been issued by a sole-decision making body, cannot attend the Sale Procedure.

3.4 The shareholders of the Newco will be jointly and severally liable for all the obligations arising from the Sale Procedure and, in the case of awarding, for the obligation to pay the Shareholding's price.

4. EXPRESSION OF INTEREST

4.1 The Interested Parties must submit their Expression of Interest either in Italian or in English, in accordance with the form attached to the present Call.

The Expression of Interest must be submitted no later than 12.00 am (Italian time) on **18th January 2016**, in a sealed envelope and has to be addressed to Alitalia - Linee Aeree Italiane S.p.A. in a.s. - Largo Amilcare Ponchielli n. 6, 00198 Rome - to the attention of the Extraordinary Commissioners Prof. Avv. Stefano Ambrosini, Prof. Avv. Gianluca Brancadoro, Prof. Dott. Giovanni Fiori, setting out "*Expression of Interest regarding the sale of the Shareholding amounting to 5,83% held in EAS by Alitalia Linee Aeree Italiane S.p.A. in A.S. - STRICTLY PRIVATE AND CONFIDENTIAL*".

4.2 The Expression of Interest must be signed by the legal representative of the Interested Party or by a special attorney duly authorized.

As to the Newco, the Expression of Interest will have to be submitted in the form of a single document by all the members who intend to share the Newco capital. The Expression of Interest will have to include (i) the commitment to establish the Newco by the expiry date specified under paragraph 3.2. and (ii) the specification of the share owned by each shareholder in the Newco capital.

The Interested Parties cannot submit, individually or jointly with other parties, more than one Expression of Interest.

5. DOCUMENTS AND REQUESTED INFORMATION

5.1. The Expression of Interest must be accompanied by the following documents and declarations:

- a) a brief description of the business carried out by the Interested Party/ies;
- b) a copy of the certificate of incorporation, a copy of the current Bylaw (Social Statute), a copy of the Chamber of Commerce certification issued not more than six months before the submission of the Expression of Interest or, as to foreign parties, equivalent documentations. In the latter case the documents must be accompanied by a translation in English or Italian;
- c) copy of the document granting the legal powers to the legal representative/special attorney who signs the Expression of Interest and the documents attached. Foreign parties must submit equivalent documents accompanied by a translation in English or Italian;
- d) a statement in accordance with the form attached to the present Call *sub* 3 certifying:
(i) the satisfaction of the requirements set out above (paragraph 3). As for the Newco, the declaration must be issued by those members who are required to meet the requisites specified under paragraph 3.2¹, (ii) the truthfulness of the documents, the statements and the information set out under paragraph 5.1, letters *a, b, f, g, h*. The statement will have to be granted by the Interested Parties to whom the documents concern;
- e) a copy of the present Call with the initials of the Interested Parties in each page, as complete acceptance of terms and conditions stated in this Call, in addition to the signature at the bottom of the document;
- f) a list specifying the members of the administrative, executive and supervisory bodies of the Interested Parties;
- g) the budgets that have been approved and, if any, the financial statements approved by the Interested Parties during the last three years of management; if the company (Interested Party) has been established for less than three years, the financial statements available. If the financial statements are edited in foreign languages, they must be accompanied with a translation either in Italian or in English;
- h) a description of the control structure of the Interested Party/ies, pursuant to the art. 2497 Italian Civil Code, including the specification of the subjects that, directly or indirectly, either control other companies or are controlled or linked up with other companies, and the specification of the amount of shares each company owns;

¹ The declarations may be contained either in one documents signed by the representative/special attorney, or in several documents.

- i) the permission to use the personal details, according to Law Decree of June 30th 2003, No. 196, signed by the Interested Party/ies attorney.

With reference to the Newco, all the documents mentioned above must be submitted by each shareholder.

5.2 The Extraordinary Commissioners may invite, at their discretion, the Interested Parties to give further clarification concerning the meaning of the documents and declarations submitted.

6. FURTHER STAGES OF THE PROCEDURE

6.1 Once verified the compliance of the Expressions of Interest submitted with terms and conditions stated above, the Extraordinary Commissioners will send a communication of admission (hereinafter, the “**Communication of Admission**”) including terms, conditions and expiry date for the carrying out of the Due Diligence, to all the parties allowed to attend the further stages of the Sale Procedure (hereinafter the “**Admitted Parties**”).

The Communication of Admission will specify the procedure to be followed by the Admitted Parties in order to confirm the statements indicated under paragraph 5.1 letter b), by sending documentation in compliance with the provisions *ex artt.* 46, 4 and 3 of Decree dated December 28th 2000, No. 445.

In any cases, the admission to the *data room* is allowed after signing a regulation of *data room* and a confidentiality agreement that will be previously supplied to the Admitted Parties.

6.2 At the end of the Due Diligence, a further communication indicating deadlines and conditions concerning the submission and the evaluation of a binding offer (hereinafter the “**The Procedure Letter**”) will be sent to the Admitted Parties.

The awarding will be granted for the subject who has offered the highest price, which, in any cases, cannot be lower than the value attributed to the Shareholding by an expert, appointed by the Extraordinary Commissioners. In any cases, the offers amounting to a price lower than the value established by the expert are not admitted.

In accordance with the provisions of the Program, payment deferrals are not allowed.

The binding offers for the awarding of the Shareholding (according to the conditions and terms under the Procedure Letter) will have to include an unconditional and irrevocable promise to pay from a credit institution amounting to 10% of the offered price, which will be claimed in the case of breach of the binding offer.

To this extend, after selecting the highest binding offer, the Extraordinary Commissioners, using registered letter with signed return receipt, will communicate to EAS (i) the price of the Shareholding, (ii) the payment terms (iii) the other conditions of the sale and (iv) the personal details of the potential purchaser (hereinafter the “**Communication**”).

6.3 The Extraordinary Commissioners may verify – even after issuing the Communication of Admission – the accomplishment of the requirements required in this Call and, once have found out the lack of one or more requirements, may exclude Admitted Parties from the Sale Procedure, pursuant that EAS administrative body will perform an its own assessment according to EAS Bylaw (Social Statute).

7. CLARIFICATION

For any further clarification and/or information on this Call, any interested party may send a specific request no later than 12.00 am of **4th December 2015**, via e-mail only, to the following address:

villani.alessia@alitaliaamministrazionestraordinaria.it e/o
mozzarella.laura@alitaliaamministrazionestraordinaria.it, indicating in the subject line "*clarifications on the sale procedure of EAS shareholding – CONFIDENTIAL AND RESERVED*".

The Extraordinary Commissioners, or a delegated person, will send the requested clarifications and/or information to all requesting parties and, without prejudice to the privacy of the offering parties, will publish the clarifications and/or information to the website www.alitaliaamministrazionestraordinaria.com and www.alitaliaamministrazionestraordinaria.it

8. NON-BINDING

The publication of this Call and the receipt of Expressions of Interest by the Extraordinary Commissioners do not give rise to any obligation or undertaking of the Extraordinary Commissioners to proceed with the sale to the interested parties, nor do they entail any right of the latter to receive any performance whatsoever from Alitalia Linee Aeree Italiane S.p.A. in a.s. and/or the Extraordinary Commissioners.

The publication of this Call and the receipt of the Expressions of Interest do not give rise to any obligation for the Extraordinary Commissioners to complete the Sale Procedure. The Manifestation of interest does not give rise any rights to demand the continuation of the Sale Procedure.

The Extraordinary Commissioners reserve the right, in every moment, to withdraw from the Sale Procedure or to suspend, interrupt or amend its terms and conditions or to make commitments vis-à-vis third parties. Also in such cases, the interested parties shall not be entitled to raise any claims for damages, indemnification or any other claims of any other nature against Alitalia, EAS and/or the Extraordinary Commissioners.

Call does not constitute an offer to the public pursuant to Article 1336 of the Italian civil code, nor does it constitute a mobilization of public savings *ex art 94* and further provisions, of Lae Decree dated February 24th 1998 No. 58.

The Extraordinary Commissioners are not responsible for costs sustained by attending the Sale Procedure.

During the Sale Procedure the Interested Parties must adopt a moral conduct, in compliance with the principle of *bona fide*.

9. FURTHER PROVISIONS

Any decision relating to this Sale Procedure and the following execution of the sale and purchase agreement is, in any case, subject to the decisions and authorizations of the Ministry, following consultation with the Supervisory Committee.

The Extraordinary Commissioners and/or Alitalia shall not provide any representation and/or warranty in relation to the Shareholding, the economic and financial position of EAS and/or its assets and legal relationships, and any potential defects of the Shareholding. The purchaser will acquire the Shareholding as it is - "*vista e piaciuta*".

The Extraordinary Commissioners are not responsible for the truthfulness, correctness and completeness of the information and/or documents provided.

The advisors of the Extraordinary Commissioner do not assume any obligation vis-à-vis the interested parties who, by accepting the provisions of this Call, expressly declare to release them

from any liabilities whatsoever vis-à-vis them and to waive any claim they may have in relation to the activity carried out by the advisors for the Extraordinary Commissioners.

Personal data provided by the interested parties shall be treated pursuant to the provisions of Legislative Decree No. 196 of June 30, 2003, as amended from time to time. Under such provisions, the processing of personal data will be carried out in such a manner as to ensure full protection of the rights and confidentiality of the interested parties; the processing of the data is aimed at verifying the eligibility of the parties to participate to this Sale Procedure, as well as the correct execution of the same. The holder of the data processing ("*titolare del trattamento*") will be Alitalia, represented by the Extraordinary Commissioners (or a person delegated by them), against whom any interested party may enforce the rights provided under Art. 7 of Legislative Decree No. 196 of June 30, 2003.

This Call, the relevant Sale Procedure and the provisions of the same are governed by Italian law. The Court of Rome shall have exclusive jurisdiction over any dispute in connection with this Call, the relevant Sale Procedure, as well as its interpretation, validity and effectiveness

This Call is published on the websites: www.alitaliaamministrazionestraordinaria.com and www.alitaliaamministrazionestraordinaria.it in Italian and English. This Call is also published on a national daily newspaper and an international daily newspaper, it being understood that the Italian version shall be the official version.

Rome, November 06th 2015

The Extraordinary Commissioners

(Prof. Avv. Stefano Ambrosini)

(Prof. Avv. Gianluca Brancadoro)

(Prof. Dott. Giovanni Fiori)